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GEOGRAPHY

Belgium is located in Western Europe, bordering the North Sea, between France and the Netherlands. The total area of the country is 30,510 km². Belgium's land boundaries total 1,385 km, and include France 620 km, Germany 167 km, Luxembourg 148 km, and Netherlands 450 km.

The climate is temperate with mild winters, cool summers and frequent rainy, humid or cloudy conditions. The terrain includes flat coastal plains in the northwest, central rolling hills, and rugged mountains of Ardennes Forest in the southeast region.

The Meuse River, a major source of drinking water, is polluted from steel production wastes. Other rivers are polluted by animal wastes and fertilizers. Industrial air pollution contributes to acid rain in neighbouring countries. Flooding is a threat in areas of reclaimed coastal land, protected from the sea by concrete dikes.

Belgium is at the crossroads of Western Europe, and a majority of West European capitals are located within 1,000 km of Brussels, which is the seat of the EU.



DEMOGRAPHICS

In the most recent projections prepared by Euroconstruct in 1993, demographic growth between 1990 and 1995 has been revised upward due to stronger net immigration than previously forecasted. A slightly declining mortality rate has also contributed to the important increase of the

population during the last 5 years (200,000 from 1990 to 1995). This trend is projected to remain the same for the period 1996-2000. During this period, the 65 and older age group will increase significantly while the 15-39 age group will be declining.

ECONOMIC OVERVIEW

Since 1993, the Belgian economy has recovered particularly well from very poor economic results, when real GDP declined 1.7 percent (the worst figure since World War II). The GDP growth rate was 2 percent in 1995. Inflation remained firmly in check at 1.5 percent in 1995.

There is a large degree of uncertainty about the strength and sustainability of Belgium's economic recovery. The fact that Belgian industry has been specialized for a number of years in the production of semi-manufactured goods, for which demand is particularly strong during the take-off phase of the business cycle, favoured Belgium over the past year.

As the economic cycle matures in Europe and the Belgian franc's (BF) strength affects exports, this stimulus will gradually disappear. Exports of goods and services may remain strong, but will no longer give the economy the lift it has had so far.

Domestic consumption was expected to substitute for net exports as the driving force in the expansion, but unlike that of neighbouring countries, this has not yet happened in Belgium. In contrast to most forecasts, the Belgian savings rate of 20 percent has remained steady, leading to weak household consumption. Private sector investment declined for 3 consecutive years, however the near-inflationary level of capacity utilization (more than 80 percent) in industry, suggests that investment will increase.

The current account surplus of the Belgium-Luxembourg Economic Union (BLEU) increased to 5.1 percent of GDP (BF 410 billion) in 1994, the third largest surplus of all OECD members (after Japan and the Netherlands). Attractive as this may seem, at least one-third of this surplus should be attributed to the Luxembourg financial centre. Furthermore, a net creditor position towards the outside world is what one would expect from a mature developed country with an aging population. The large size of the foreign asset position can also be attributed to weak investment spending, which may reflect the lack of profitable domestic projects.

Belgian imports and exports continue to rise. Exports totalled \$268 billion in 1995 while imports were \$248 million. Belgium's exports continue to benefit from increased exports to Japan, as well as the continuing strength of Southeast Asian markets, where exports tripled between 1987-94.

However, more than 80 percent of Belgium's exports still go to the other EU member states (mainly Germany, France and the Netherlands). The equivalent of 70 percent of the country's GDP is exported, compared to only 20 percent in neighbouring France. This makes Belgium vulnerable to the international economic climate. In fact, it is doubtful whether important export sectors such as textiles, metal construction and wood will be able to maintain their 1994 export levels, since they reportedly suffer from the strong performance of the BF against the U.S. dollar and the weaker European currencies.

The National Bank of Belgium has calculated that the growth in export volumes is smaller than the global export growth as calculated by the OECD, implying that Belgian exports are losing market shares.

The Belgian labour market showed little improvement, despite the renewed strength of the economy. In 1994, some 27,000 jobs were lost (net) in the Belgian economy, compared to a loss of 53,000 the year before. Standardized EU data puts Belgian unemployment at 10.2 percent in 1994, compared to 11.2 percent for the EU average. The beginning of 1995 saw the first decline in unemployment figures since 1992. At the end of March, the number of unemployed dropped 30,000 below the March 1994 figure.

Most economists believe that the Belgian economy needs real growth of at least 2.5 percent before job growth can reduce the unemployment rate, and Belgium is currently precariously balancing around that figure. The long-term trend remains and efforts by business to neutralize the high labour costs have pushed up productivity, but aggravated the unemployment problem by reducing the intensity of economic growth.

The economic recovery in Belgium was stimulated by a strong increase in exports. Presently, economic activity is sustained by business investments while the consumption trend will probably remain rather flat as a consequence of the high level of unemployment and a moderate rise in wages. The average household savings rate has remained high due to uncertainties regarding future disposable income. The drastic austerity measures adopted by the government to reduce

public deficit as required by the Maastricht Treaty will likely have a restrictive effect on the growth of actual disposable income. On the other hand, the increased governmental credibility might build up confidence. As a consequence, a net reduction in household savings rate is to be expected. Overall, economic growth was expected to reach about 2.5 percent in 1996 and 2.7 percent each year in the 1997-2000 period.

POLITICAL OVERVIEW

Belgium has been a constitutional monarchy since 1930. Albert II was invested as King in August, 1993, after the death of his brother Baudouin. The King, Prime Minister and Cabinet represent the executive branch of the federal government, with the newly-formed, 71-member Senate and 150-member Chamber of Deputies representing the legislative branch.

The Cabinet must retain the support of a majority in the Chamber of Deputies to remain in power. Federal parliamentary elections are held every 4 years or before that if the government loses the support of a majority in the Chamber and no alternative coalition can be formed. There is universal suffrage, with compulsory voting and proportional representation.

Governments are always coalitions comprised of 2 or 3 of the traditional parties—the Christian Democrats (centre), the Socialists (left wing) and Liberals (right wing). Elections were last held in May 1995, with no party gaining an absolute majority of votes in either of Belgium's two linguistic regions.

The government formed in June 1995 is a coalition of Christian Democrats and Socialists. The central plank of its platform is reform of the social welfare system in order to stimulate job creation and to help Belgium meet the Maastricht

budget requirements as one of the first countries to join the European Monetary Union.

The most significant, long-term issue in Belgian politics is the gradual devolution of powers from the central authority to the regions. In the new federal structure, approved in July 1993, sovereignty is spread over three authorities: the central state, the regions and the language communities. There is no hierarchy between these policy levels. Each of the 3 levels has its own exclusive powers and is not allowed to interfere in matters that are under the jurisdiction of the others.

The regions are Flanders (northern, Dutch-speaking part of Belgium), Wallonia (southern French-speaking area), and Brussels (the capital region, limited to 19 bilingual communes). Each region is responsible for a wide range of socio-economic matters for its own territory.

Elected regional assemblies for Flanders, Wallonia and Brussels exercise legislative powers within their own regions and elect executive authorities. Under the evolving federal system, the regional governments will become increasingly responsible for areas of interest to Canadian businesses, such as foreign trade, environment and investment regimes and incentives. This devolution means that Canadians wishing to do business in Belgium will eventually have more contact with regional officials than in the past.

TRADE POLICY

Belgium is the 9th largest trading nation in the world. It is highly outward-looking due to its long history of reliance on international trade. Because of this history and the lack of natural resources, Belgian businesses import and export.

Imports and exports are equivalent to nearly 70 percent of GDP, making Belgium one of the highest per capita exporters in the world. Belgium imports many basic or intermediate goods, adds value, and then exports final products. Major Belgian exports to the world are cars, electrical equipment, cut diamonds, iron, plastic, organic chemical products and refined petroleum.

About 75 percent of Belgium's foreign trade is with other EU countries an indication of the country's importance as a commercial hub in Western Europe. Located in the heart of Europe, Belgium is a faithful adherent to EU integration policies, and the country stands to benefit greatly from an integrated single market.

The Belgian market has great depth and diversity in its import mix, with many excellent growth sectors. Belgium has an excellent network of distributors, who are often regarded by the French and Germans as a neutral source of goods.

Belgium is blessed with an excellent transportation network of ports, railroads, and highways. Major North American air cargo carriers have created one of the first and perhaps only European hub and spoke operation.

Due to its history and location, Belgium is a true cultural microcosm of Europe, with 3 linguistic communities: French, Dutch and German. This diversity, combined with its small, manageable size, makes Belgium an excellent test market and subsequent launching pad for European operations of North American businesses. Because the Belgian market is highly competitive, the Belgian consumer has become used to the introduction of new products and is quite discerning in its choice.

In a 1992 study performed by the KUL, a major Belgian university, 3,100 top industry and service companies in Belgium were examined. These companies represent 88 percent of the added-value products and services sector in the country. One-

third of them are foreign-owned. The foreign companies are mainly from the United States (25 percent), the Netherlands (17 percent), France (16 percent), Germany and Great Britain (both at 12 percent).

A 1992 study by Ernst and Young concluded that Belgium will be the second most popular site in Europe for investment over the next 5 years. The study also showed that Belgium ranked 4th out of 22 countries as a location for European subsidiaries or headquarters of the 100 multinationals surveyed.

The rapid expansion of Brussels as a corporate decision-making centre of Europe and as a place for meetings and congresses has attracted over 1,300 European headquarters of foreign companies and institutions to Brussels—597 of them American, followed by France, Great Britain, Germany, Japan, Sweden, and Italy.

The Belgian government has adopted a number of corporate tax incentives in order to make Belgium an attractive country for foreign investors. The tax authorities have established special corporate tax rules for foreign companies intending to establish coordination centres, distribution centres, or foreign sales corporations in Belgium. The success of these measures is indicated by the fact that 250 multinational companies have adopted the status of coordination centre.

Brussels and other locations in Belgium are regarded in a number of recent surveys as among the top 10 locations for a business in Europe. The quality of Belgium's R&D facilities is one of the reasons most cited for this high ranking.

Overall, government leaders at all levels are very supportive of open trade and investment. However, that does not mean that Belgium is a commercial environment easy for North American companies to understand or operate in, and foreign companies do sometimes encounter trade or investment problems. Those problems often result from the Belgian penchant to compromise and avoid confrontation. They also sometimes result from the unclear division of responsibilities among local, regional, and federal authorities. This lack of clear responsibility can lead to bureaucratic

delays and inaction. It can also lead to inconsistent legislation and implementation.

Despite such barriers, there are excellent opportunities in Belgium for Canadian exports and investment. They include:

- trade with Belgium in many industrial and service sectors;
- location of a European-wide distribution centre in Belgium;
- location of a European-wide coordination centre in Belgium; and

- development of a strategic alliance with a Belgian firm which could be targeted at Western Europe, Eastern Europe, or the Middle East.

Canadian exports to Belgium in 1995 totalled \$1.8 billion. Major exports included: agri-food, pulp and paper, ores and minerals, and machinery. Belgian exports to Canada totalled \$728 million and included: machinery; precious stones; chemicals and pharmaceuticals; and rubber products. Belgium is the 8th world market for Canadian exports, the 4th largest European market. It is the 21st world import supplier to Canada.

HOUSING CONDITIONS

In 1995, Belgium had approximately 4.06 million households within its population of 10.15 million inhabitants. In the previous year, a total of 10.2 billion ECU (1 ECU = 39.66 BF) was spent in new housing construction (7.8 billion ECU), renovation and housing rehabilitation (2.4 billion ECU).

In part because of its cultural duality, Belgium favours both the Germanic and Latin ways of doing business. It is known throughout Europe as the most important test market in all of the European Union. Belgium is primarily a quality-oriented market; the price argument is only partly important in closing business deals. There is a long-standing tradition of a prevailing quality-price factor that is upheld in the market, even today. The Belgian

consumer is still very much attached to the life-long quality of housing and therefore continues to decide in favour of more expensive but high-quality construction materials.

Belgium occupies a major position in the West European housing sector, primarily due to the fact that the country has one of the highest private housing ownership rates in the EU. Belgians live in traditional one-family houses or apartment buildings. The condominium units, common in Canada, are a relatively unknown phenomenon. Belgians opting for single-family housing show preference for open or semi-open construction sites. Ever since the 1980s, a mixture of villa and traditional Flemish farmhouse features have been extremely popular.

HOUSING SECTOR

Major Participants in the Housing Industry

The housing market is well served by the local housing industry whose work is dependent on the design specifications dictated by local architects. Local architects have secured a key role in the Belgian housing market where there is little standardization.

The general approach taken by would-be home-buyers is somewhat different from that of the Canadian consumer. Within the Belgian market, the place of the architect is still extremely important, regardless of whether one is planning to start a new construction or renovate an older building. The architect designs the house or housing project and works out this drawing to a plan to which the contractor generally does not have to add or change anything.

This leaves less room for construction material standardization. Belgians like their houses to reflect their personality. Standardization is only attainable to a certain extent, mostly in turn-key projects.

Once the basic plan has been approved by the client, a contractor will put up the rough shell of the house. The construction firm will either use in-house manufactured prefabricated components or build the house brick-by-brick at the construction site. It will also install the basic heating system or mandate an affiliate for the plumbing.

The rest of the finishing work will be carried out by separate firms or professional installers, which can be sub-contracted by the construction firm or hand-picked by the consumer himself. This market is called the "construction aftermarket" and includes anything from flooring, kitchens, bathrooms, wall panels to electricity. Professional installers are equally dependent on the standard distribution systems, so that the entire "construction aftermarket" has become part of the broad "do-it-yourself" market.

The main trade associations in Belgium are:

- National Confederation of Construction Industry in Brussels (tel.: 32-2-510-46-11)
- National Federation of the Professional Unions of Commercial Members in Construction Materials in Belgium-FEMA in Brussels (tel.: 32-2-218-09-75)
- Febelhout—Federation of the Wood Industry in Brussels (tel.: 32-2-217-63-65)
- Association of Importers and Wholesalers of Hardware in Brussels (tel.: 32-2-517-30-60)
- BCD-Belgian Committee for the Distribution (Do-it-yourself Association in Brussels) (tel.: 32-2-345-99-23)

Local Distribution Systems

In the areas of construction materials, hardware and do-it-yourself materials, the Belgian market is characterized by a different structure and division as compared to Canada or the other European markets. The division of product groups over the various markets is done according to the distribution system they refer to.

Under construction materials, for instance, only those products which are necessary for the construction of the basic shell of the house are included, such as basic materials (bricks, concrete, roof tiles, wooden beams), heating systems and plumbing. These products are marketed directly by the producer of the raw materials to the building companies and contractors. At no point do these products enter the distribution chains and outlets. These products are mainly produced by local manufacturers located close to the actual construction site or even by the construction company itself or a combination of the two.

The emphasis on local and nearby production is closely linked to the delivery system required. Stocking needs for most construction sites are limited and these products are generally bulk articles. Contractors need easy access to the raw materials, prefer just-in-time delivery schedules and try to keep the transportation costs as low as possible. When construction is carried out with the

use of prefabricated standard components, these are generally manufactured by the construction company of the hired contractor. Very few prefabricated components are manufactured by third parties, except for general heating systems.

Conversely, all products needed to transform the rough shell into a traditional house make up the do-it-yourself market. The latter term is loosely defined and usually comprises products that are marketed by the manufacturers or importers to the distribution outlets, such as chain stores or independent outlets, that carry either a very general or specialized product range. These outlets in turn sell their products both to private and professional end-users. Under no circumstances can contractors or professional installers purchase these products directly at the production or import source—all are required to adhere to the standard system of distribution channels.

This distribution division in the Belgian market results from the various laws controlling the establishment of businesses in Belgium.

The majority of the hardware and do-it-yourself outlet stores in Belgium are still independent retail outlets. They also generate the bulk of the total turnover achieved in this market. Some of them, however, have set up joint purchasing groups. By the end of 1992 there were a total of 1,344 outlet stores active in some aspect of the distribution of hardware and do-it-yourself articles. Only 274 were members of 1 of the 14 chains active in the sector: the most important ones being BRICO GB, BIGOMAT, MAKRO, WICKES, GAMMA, SUPERBOIS, BRICOSPHERE, FORMIDO and HUBO. The Brico, Gamma and Wickes chains have become active on the international scene, particularly in European countries.

HOUSING MARKET ACTIVITY, NEED AND DEMAND

Local Technology

Belgians tend to be rather conservative in regards to construction materials. Even so and in spite of the traditional brick still being, by far, the most popular construction material with Belgian consumers, other materials are increasingly gaining acceptance in the market. Many construction projects in Belgium utilize reinforced concrete, especially in larger structures like apartment buildings.

Regardless, these concrete structures are generally covered with brick panels in order to resemble the traditional brick-building style found all across the country. Certain regions in Belgium have been known for centuries for the high quality of their clay deposits. Most of these regions are located in the northern region of Belgium and, consequently, a sizeable brick industry thrives in several Flemish areas.

When wood-frame housing was introduced in Belgium about 20 years ago, only 3 percent of the construction projects made use of this "innovative" technique. There are no official statistics to delineate the current share of wood-frame housing in Belgium but local experts agree that this share could be estimated at 20 percent of total housing starts. But again, wood-frame structures are finished with traditional Belgian bricks. Except for small prefabricated houses for week-end and recreational use, wood construction techniques have yet to gain popularity.

Belgian construction generally opts for central heating systems using either gas, fuel oil or electricity, the latter being far less popular. Heat distribution systems are either warm water or hot air, but warm water radiators are still the most popular and frequently used systems. Ventilation systems are relatively new in the market and are mainly found in large apartment buildings. So far, these have been of relatively poor quality and thus have not yet become all that popular.

Wood-frame Housing Market Characteristics

Wood-frame houses are not subjected to any special standard (but technical specifications on a voluntary basis exist) or insurance clause but must be, as any other construction, approved by municipal authorities. According to the Belgian Federation of Wood Industry (tel.: 32-2-217-63-65), there are some 20 local affiliated manufacturers of wood-frame houses. In total, there are some 50 timber frame builders, mainly small companies, and their number is increasing. The sub-trade (electricity, plumbing, etc.) manpower gets more and more acquainted with the appropriate expertise to deal with wood-frame structures.

Housing Components (windows, doors and flooring) and Housing Extensions

With its traditional resource of white sand, Belgium has developed a very considerable glass manufacturing industry. Glaverbel, one of the largest glass companies in Europe, has developed a wide range of regular, protective and insulating glass and has thus secured a very large market share both in Belgium and in the rest of the European Union.

PVC is also used extensively in Belgian housing construction and forms a market almost entirely ruled by Belgian companies. Window frames are often manufactured of PVC, but wood and aluminum are also used quite successfully. Since Belgium can count on an extensive PVC and steel industry base, many companies use these materials to create a large variety of doors, garage doors, verandas, patios, and so forth.

Belgians tend to have special tastes for doors and windows. In the Netherlands and other European countries, most doors and windows open towards the outside, as opposed to Belgium where doors and windows always open towards the inside.

Despite the little wood resources available in Belgium, the country produces a wide range of value-added wood products made from several

types of imported lumber. Most of the wood decoration products are particularly designed for the higher-end of the market.

A very important value-added wood product is the production of high-end wood flooring. Although many types of wood flooring are imported, Belgian companies have added their particular design and mainly use oak wood in order to create traditional solid oak parquetry or laminated oak strip floorings. Wall panels are also among the value-added products manufactured by Belgian companies which are also geared to the higher-end of the market.

A very important product among added-value wood products are staircases and doors.

Companies like Lapeyre have successfully engaged in the production of upscale staircases made of pine, beech, hemlock and oak wood, with much attention to banister detail. These companies also create and produce wooden verandas and garden patios or wooden door classics from oak, beech and pine. Wood and PVC housing extensions is a fast-growing market in Belgium.

Environmental awareness is boosting the use of natural products in interior decorating. The use of different pine woods, in particular, has been increasing over the last few years. Wood flooring is becoming widely popular, especially since a number of easy-to-clean parquets and strip floorings were introduced by a top Danish wood flooring manufacturer, Junkers. Laminated strip floorings at competitive prices have helped democratize this market and create a new demand. Distinctive Canadian white pine, maple and american oak strip flooring can easily fill up the existing market niche in Belgium.

The demand for easy-to-assemble modern spiral pine staircases is rapidly increasing and this, again, creates new opportunities for Canadian exporters.

Lumber and Other Commodities

Belgian imports for Canadian lumber have been decreasing for some years mainly due to the pine wood nematode issue. Low-cost imports from Eastern Europe have become more attractive.

Local Housing Activities

In 1994, the residential housing construction industry recovered with a 2.2-percent increase following a 3.9-percent drop the previous year. This was not due to basic determinants of household investments but rather a consequence of the decrease in mortgage rates that occurred in the spring of 1994 and the higher interest rates that later followed. Indeed, households' disposable income decreased in 1994 and unemployment stabilized at a quite elevated level.

Housing Need

The strong demand at the beginning of 1994 and decreasing construction costs have contributed to maintaining the construction activity during the first half of 1995. This trend was expected to slow down, as indicated by the low level of orders at the end of this period. This downward slope was supported by fear of coming budget taxation hikes. A decrease in demand in 1995 was expected to dampen the 1996 activity and economic growth which was only expected to reach 1.5 percent in 1996.

New Residential Construction

According to Euroconstruct, after a slowdown in 1996, new construction in the residential sector should improve and reach a yearly average growth rate of 1.8 percent up to the year 2000. Employment will be stimulated by the economic recovery and government measures, and real disposable income is expected to increase significantly, restoring consumer confidence in the economy.

Strong competition will maintain construction costs at their low point. Interest rates will decrease as a consequence of the reduction of the government budget deficit and inflation will remain moderate.

Table 1 shows housing completions and forecasts, in thousands, for the period 1994-2000.

Table 1:
Housing Completions and Forecasts (in thousands)

Housing	1994	1995	1996	1997	1998	1999	2000
1 + 2 Family dwellings	29.0	30.0	28.0	27.0	27.0	27.0	27.0
Flats dwellings	17.0	17.0	16.0	16.0	26.0	26.0	16.0
Total dwellings	46.0	47.0	44.0	43.0	53.0	53.0	43.0

Source: Euroconstruct, European Construction to 2000, October 1995.

Repair and Maintenance

Repair and maintenance expenditures in the residential sector recovered in 1994 with a 5-percent increase, following declining rates of minus 4 percent and minus 10 percent in 1992 and 1993 respectively. Demand is expected to stabilize

until the year 2000 at an annual rate of 2 percent. The private housing market is taking advantage of a booming market in the renovation sector. With living space becoming increasingly scarce, people are moving back into previously abandoned urban centres and opt for existing housing renovation over new constructions.

EXPORT OPPORTUNITIES AND STRATEGIES

Housing Trade Patterns

Among Western European countries, Belgium is Canada's 6th major housing products export market, worth US\$43 million in 1994. This represents a 14-percent increase compared to 1992. Belgium's import market for housing-related products was valued at US\$2 billion in 1994 (about 50 percent of the U.K.'s, Canada's top export market), a 4-percent decrease from 1992. Canada's market share in Belgium is limited to 2 percent of total imports of housing-related products. Canadian companies should give more consideration to the Belgian market.

In the 1992-94 period, Canada's exports to Belgium was limited to those products as illustrated in the following table:

Table 2:
Canada's Exports to Belgium, 1992-94

Sawn coniferous wood	1 %	US\$35.7 million
Sawn non-coniferous wood	2 %	US\$4.7 million

During the 1992-94 period, only non-coniferous veneer product exports increased, reaching US\$0.9 million in 1994, a 129-percent increase compared to 1992.

The following are among housing products showing growth potential in Belgium:

- plywood (a 400-percent increase to US\$44 million in 1994), for which Canada accounted for only 2 percent of total imports, and to a lesser extent;
- radiators (25 percent to US\$49 million);
- thermostats (23 percent to US\$29 million); and
- air conditioning units other than the wall-type (18 percent to US\$87 million).

Foreign Competition

Overall, Belgian manufacturing companies engaging in construction basically hold the market for private traditional construction firmly in their own hands. So far, very few European companies

have been able to take a considerable market share of the various traditional products, or even to enter the market in the first place.

In fact very few foreign materials are currently used in the market for private housing construction in Belgium, the only exception being wood from Canada and Scandinavia, in particular from Sweden and Finland. Wood resources arrive in Belgium as raw material for use in the construction of traditional or wood-frame housing mostly.

Since the opening of the EU market, there has been an increase in European competition present through foreign contractors closely cooperating with Belgian production companies. This technology transfer is a particularly promising marketing niche applicable to the less traditional constructions such as modern highrise buildings.

Within the range of foreign, mostly European, companies active in the market for decorative and other finishing products in the Belgian hardware and do-it-yourself market, Germans are quite strong, have built up an excellent reputation for quality and have secured a presence in the markets for high-quality steel-based products, bathroom decoration, kitchen appliances, bathtubs and showers. Adhering to strict delivery schedules and extensive after-sales service are important key factors to the success of German companies in the Belgian market.

French companies tend to put more emphasis on design and much less on after-sales service or delivery delays. A number of French companies have entered the Belgian market with modern style open fireplaces and with recycled materials which have become increasingly popular, especially in the renovation market.

Italy has gained an excellent reputation in the interior designing field with exports ranging from designer bathroom equipment, white and coloured marble to expertise in the use of marble for interior decorating purposes.

Scandinavian companies are also major manufacturers of value-added wood products, especially pine, used in construction and

decoration. Scandinavians are present in the market with wooden flooring, staircases, pine doors and other construction finishing lumber-based products mostly made of Swedish and Finnish red cedar.

Russia is also becoming a major supplier of beech wood used in construction and interior decorating.

American products have gained a considerable market share in the hardware sector, especially through the local presence of the major company, Black and Decker. There has been, in the past, considerable demand for American kitchens which still hold a portion of the Belgian market despite the fact that these products have not been readily adapted to the changing Belgian market and European-sized kitchen appliances.

Southeast Asia has become a major supplier of unfinished wood products, originating from the tropical rain forests. However, environmental groups have started campaigning against unscientific cutting of tropical forests and launched awareness programs in order to shift consumer demand towards pine, which is still abundant in Canada and Russia.

Adapting to a Local Context

Regardless of their origin, most of the products sold in the Belgian housing market need to be adapted for local appeal, sizing, colouring and, in some cases, to fulfil basic technical merits, or obtain legal approval through specified testing centres. In some situations, where no legal testing by a specific centre is required, a product certificate issued by the German TUV testing centre can be used as a major marketing tool for market penetration anywhere in Europe. German products are widely acclaimed for their quality and since the German TUV centre is noted as one of the most rigid testing centres in Europe, certification conducted there is widely accepted.

Different legal structures impose product regulations that regularly contradict one another, especially in the do-it-yourself category. Canadian companies are advised to contact the Ministry for Economic Affairs (tel.: 32-2-233-61-11) or the Belgian Institute for Normalization (BIN), (tel.: 32-2-734-92-05) in order to obtain specific

information on the regulations required before launching a new product on the market.

Canadian Presence in the Belgian Housing Market

So far, Canada has entered the Belgian market for hardware and do-it-yourself through an extensive supply of unfinished wood products. Currently, Canadians supply vast stocks of pine and cedar wood for interior and exterior decorative use. The penetration of finished products in the Belgian market so far has been rather limited. Most Canadian products are still unknown in this country despite years of effort on the part of the Canadian Embassy and the Council of Forest Industries (COFI) to promote Canadian wood-frame housing. None of the Canadian manufacturers of prefabricated wood-frame houses are known to be active on the market. It should be noted however that the Canadian timber frame construction concept represents now each year 20 percent of the unifamily dwellings in Belgium.

Opportunities

Since there is still a considerable shortage of reasonably priced housing available in Belgium, the construction market for private housing has considerable growth potential. Since the range of construction materials is by definition very limited in Belgium, Canadian firms interested in penetrating this market should not focus on the actual export of their products to the Belgian market but rather on different types of technology transfer.

The most evident ones are: the export of the Canadian housing concepts with the cooperation of either contracting firms or developers that offer multiple turn-key houses in specific lots or with major local architect firms.

Product technology transfer is also possible in the area of construction materials, especially for modern highrise buildings where local manufacturers are always looking for more advanced construction materials and new site management techniques. Close cooperation with major local producers could also be an inroad in this traditionally local market.

Another excellent market niche for technology transfer is in the area of integrated heating and ventilation systems. Modern insulation in highrise

buildings, even in traditional private housing, has given way to numerous complaints in connection with insufficient air refreshment and ventilation flows. Canadian companies have much more experience in these integrated systems which is a definite competitive edge over their European counterparts. Due to a succession of hot and extremely humid summers, Belgian consumers have grown more receptive towards the installation of small and simple air conditioning and ventilation systems. So far, Belgian companies have not yet been involved in the production of highly sophisticated small systems and East Asian companies have secured a virtual monopoly position in the market. Since Canadian companies can offer at least as much expertise as their Asian counterparts, innovative exporters especially with designer concepts, could hope for a good position in this emerging new sub-market.

The market for construction standardization should be closely monitored by Canadian exporters. Although standardization will never take an equally important market share as in other European countries, since the Belgian consumer is very specific in terms of residential housing, turn-key projects in social housing offer some level of opportunity for Canadian technology.

Strategic Approach

When preparing their European strategy, Canadian companies should be aware that Belgium, as a prime test market, is one of the choice places in Europe to set up a sales office, in part because of its unique geographical location, the relatively low costs involved, and also considering the multilingual staff and excellent communication, financial and other support services available.

However, an important question to consider for any prospective exporter contemplating the Belgian market lies in the careful investigation of the product in connection with the typical dual market structure which prevails in Belgium.

As importers form part of the distribution process, they cannot legally supply production companies and are restricted to distribution outlets geared towards the final consumer. Therefore, the only option for Canadian exporters of construction materials (i.e., those involved in the rough housing

shell), is to penetrate the market through a direct supply to contractors.

Given the usual delivery requirements, an active presence through a local production plant becomes a prerequisite. Companies not willing to establish a permanent presence in the market would be advised to penetrate through different technology cooperation and joint development schemes with local production companies. Compliance to Belgian standards and continuous support to local partners remain a must.

After-sales service is extremely important, both for hardware and do-it-yourself items in all product groups found in the Belgian market. Therefore, an active presence in the market through a local manufacturing company tied to a service-oriented warehouse distributor is one of the key elements to facilitate penetration in the Belgian commercial landscape.

The large annual BATIBOUW trade fair takes place in March in Brussels (tel.: 32-2-660-89-34) and is the major vehicle used to promote construction materials in Belgium. The event is one of the largest of its kind in the world. The fair is open to the public and brings together all aspects of construction, renovation, do-it-yourself, hardware and the "construction aftermarket". The BATIBOUW fair offers an excellent opportunity to introduce new products and technologies into the market. Like most European trade fairs, BATIBOUW is geared mainly towards establishing contacts in the market, but also as a vehicle for the actual closing of deals.

Branding construction materials is becoming widely popular in the Belgian and European construction markets. The trend usually focusses on quality branding in the more expensive product range. Widespread advertising is not the only tool used to reinforce branding. Image is also built up through prototype constructions set up where construction sites are not yet fully developed. This helps architects visualize the technical plans and gives the consumer a clear picture of the quality of construction offered by the contractor.

Canadian companies interested in positioning themselves within the Belgian housing construction market can also use De Bouwkroniek as a major vehicle both for product advertising and technology introduction. This weekly magazine is

published by NV Drukkerij De Bouwkroniek (tel.: 32-2-513-82-95) and features reports on all aspects of the construction market. The same publisher also produces an annual booklet on the construction market called Bouwkalender.

Because of competition from all regions in Europe, a Canadian firm will want to offer an agent or a distributor credit terms as good as its European competitors—of course after being fully satisfied with the creditworthiness of the buyer.

Canadian companies will have to follow EU directives on such important issues as product safety and recycling excess packaging. These directives will apply across the board in all member states.

Nonetheless, there still are and will remain many different markets, and Canadian companies should continue to approach each one somewhat separately. For example, the single market will not eliminate regional language and cultural differences. It will not eliminate differences in consumer buying patterns. Regional economic differences will remain. There will be few distributors anywhere in Europe who can effectively distribute a product or service in all member countries, and there will remain

legalistic differences in the treatment of agents and distributors.

What do these differences mean for Canadian companies?

They mean that a Canadian company must continue to have a number of distributors in Europe, especially in the most important markets. They also mean that a company must obtain sound legal advice in each country and market its product or service in a way sensitive to the cultural and social history of the country in which it operates. They also mean that pan-European advertising and marketing are no panacea for individual country marketing. Companies will have to experiment and see if such pan-European marketing really works for their product line or service.

Consequently, regardless of whether there a single market by the year 2000, Canadian companies can take advantage of much of the single market now in place, keeping in mind that they must still treat each country's market differently. Canadian companies can look at the next few years as a window of opportunity for becoming and remaining competitive in the single market of the future. By beginning the process now, Canadian firms can meet the challenges of intense competition in the European marketplace.

BUSINESS ENVIRONMENT

Overview

The quality of life in Belgium is high. Belgium is among the top 20 countries in the world in terms of per capita income, and most Belgians own their own home. The social security system is one of the best in the world and provides for a decent life even for most deprived citizens. The health care system in Belgium is excellent, offering affordable care to all Belgians.

Education from kindergarten through high school is free of charge and only a small registration fee is charged every year for university level studies. As a rule, three to four languages are taught all through high school, and many Belgians are fluent in three languages. Nearly everyone involved in business speaks English, usually fluently.

There are three language communities in Belgium: The Flemish Community, consisting of the population living in Flanders; the French Community, consisting of the population of Wallonia, and a small German-speaking Community of some 66,000 inhabitants in the far eastern part of the country.

The country is blessed with an intense and varied cultural life and is highly regarded for its tolerance of foreign goods and persons, and its overall life style and family-oriented values system.

Belgians also have the second highest savings rate in the world, surpassed only by the Japanese. This provides a ready source of capital for consumption and expenditure and a low level of personal debt. Belgians are open to new ideas, products, and services. Still, given the vast array of foreign products available, Belgians will shop for value at affordable prices. Markups in Belgium are generally several times the wholesale price, making consumer goods expensive by comparison to Canadian prices.

Business Infrastructure

One of the major strengths of Belgium is, first and foremost, its significant reserve of skilled personnel. Belgian labour is well-trained, generally multilingual, and in spite of a high level

of unionization, enjoys good labour relations and a well-earned reputation for very high productivity.

**Table 3:
Holidays**

January 1	New Year's Day
March/April	Easter Monday
May 1	Belgian Labour Day
May	Ascension Day
May	Whit Monday
July 21	Belgian Independence Day
August	Assumption Day
November 1	All Saint's Day
November 11	Veterans Day
December 25	Christmas Day

Belgian cuisine is among the best in the world. Taxis and other means of public transportation are readily available, and Belgium has good communications links with the rest of the world. Belgium offers an extraordinary media diversity with the availability of the broadest selection of television channels in Europe. Television owners currently have access to programs broadcast from 7 different countries in Dutch, English, French, German, Spanish, and Italian. The official holidays in Belgium are shown in Table 3.

Distribution and Sales Channels

Many companies sell to the Belgian market through distributors and agents. The new-to-market company will find a large number of well-established representatives in virtually every industry sector in Belgium. On many occasions, their territory is larger than just Belgium; often it is the Benelux and one or more neighbouring European countries. Belgian agents and distributors are often perceived as being neutral sellers by European purchasers. This places them at a distinct advantage vis-à-vis their German or French counterparts.

Canadian companies will also find that Belgium is an excellent place in which to locate distribution facilities. It has an outstanding network of ports, airports, rail, highways, and canals that can provide cost-effective transportation to

300 million consumers in less than 48 hours. Joint venture and franchising agreements are often also a good way of entering the market.

Advertising and Promotion

Belgium has a number of sophisticated newspapers and magazines published in Dutch or French, along with the one English language magazine, The Bulletin. English readers in Belgium can also choose from the International Paris Herald Tribune and the Wall Street Journal's European Edition.

Pricing Products

Belgium is a faithful adherent to EU laws and directives, and Belgian business stands to benefit significantly from a single European market in the 1990s. The openness of the Belgian market should not, however, make Canadian companies think that doing business in Belgium is like doing business next door in the United States. It is not. Canadian companies need to be aware of cultural and linguistic differences.

There are also regional economic differences, with some parts of the country wealthier than other parts. In addition, Belgian distributors tend to be small and specialized. They also do not have ready access to inexpensive capital, and they are somewhat conservative when it comes to risk-taking. Consequently, potential Belgian representatives will look to their suppliers for lenient credit terms. Liberal credit terms thus become a supplier asset though caution should always be exercised before extending such credit.

Belgium has also established legal protection for distributors against sudden or unjustifiable termination of the distribution agreement. It includes measures assuring the right to receive reasonable notice of termination, and compensation for loss of income. In addition, the EU has passed similar legislation protecting agents. Canadian companies need legal advice in drawing up a representation agreement in Belgium and throughout the EU. Lastly, the Belgian importer is looking for the best quality at the best price. North American products and technology are highly regarded, but Belgium is a very competitive market. There are many competitors in the marketplace, and a Canadian supplier will

have to be aggressive and take pricing into consideration to compete successfully.

Markup in Europe tend to be much larger than in Canada. A useful rule of thumb for consumer goods is to multiply the x-factory price by approximately four times in order to arrive at the likely retail price in Europe.

Protecting Your Intellectual Property

The rights granted under Canadian patent, trademark or copyright law can be enforced in Canada only. The EU, for its part, has taken a number of initiatives to provide intellectual property protection, but not all measures have been implemented. In cases of non-implementation, national laws still prevail.

Belgium is also a member of the World Intellectual Property Organization (WIPO) and the European Patent Convention (EPC). A single European patent, valid throughout the EU, does not yet exist, since the community patent convention has only been ratified by Germany and Greece. In the meantime, the patent applicant can choose between a national and a multiple-country patent.

In the latter case, a single application to the European Patent Office in Munich is required for obtaining patents valid in a number of countries within the EU, and Liechtenstein, Sweden, Monaco, and Switzerland. The address is:

European Patent Office
Erhardstrasse 27
D-80331 Muenchen, Germany
Tel: 49-89-23990
Fax: 49-89-23992850

A patent thus granted will not be valid in Belgium unless a copy of the grant in one of Belgium's three national languages is filed with the Belgian Office of Industrial Property described below. To obtain a national patent in Belgium, the inventor or assignee must file a request with the Office of Industrial Property in the Ministry of Economic Affairs. After a search of the European Patent Office in Munich, if requested by the inventor, the Belgian government will issue the patent without guarantee of patentability.

National patents are valid for 20 years if a search has occurred. If not, the validity is reduced to 6 years. Once granted, the patent is registered with

the Register of Patents, again located in the Ministry of Economic Affairs.

Need for Local Legal Assistance

Belgium is not a highly litigious country. Nonetheless, Canadian companies should consult local lawyers for most business transactions. There is a need for legal assistance when drawing up an agency or a distribution agreement. Local lawyers are also needed when registering patents, trademarks, or copyrights. Lastly, local legal advice is essential when setting up an office, or when establishing a distribution or coordination centre.

Regulatory Issues

Belgium is part of the EU's single market of some 370 million consumers. Thus, there are many common product standards either in place or in the process of being put in place, and Canadian companies can eventually meet one product standard rather than fifteen different ones. There is a single duty among all EU members toward products coming from non-EU members.

VAT rates are being harmonized among the member countries and as of January 1, 1993, the EU in theory became borderless for the movement of goods. Canadian companies can thus structure advertising and marketing campaigns that are pan-European. Canadian companies can also look at distribution to all EU members from one location. Foreign firms must meet the common standards now being developed, and they should consider obtaining ISO 9000 quality certification if they are a manufacturer. Quality, service and price competitiveness will remain paramount considerations for a European considering buying a foreign product or service.

As a member of the European Union, Belgium applies the EU common external tariff to goods imported from non-EU countries. For goods imported into Belgium from other EU countries, no customs duties apply unless the goods contain components imported from outside the EU, upon which customs duties have not been paid in another EU country.

The EU is currently considering a change in its method of calculating customs values of imported goods. Current EU customs valuation rules

provide that, where there is a "chain of sales" leading to the importation of goods into the EU, the price paid in any of these sales can be used as the basis for establishing the customs value of the goods in question. The proposal under discussion would require that the customs value be based on the final sale price only.

If adopted, Canadian companies exporting to the EU through a "chain of sales" would find that EU customs officials assign their products a higher customs value, and thus levy higher tariffs, than is now the case. Canadian companies should follow this development carefully through their customs broker since its implementation would necessitate considerable adjustments in operations for Canadian exporters to Europe.

Many products may be imported or exported without any prior license, but products from certain countries and certain listed products are subject to an import license. An application for such a license must be made to the Office of Quotas and Licenses (OCCL/CDCV). Strategic goods are also subject to an import or quota license. A list of products subject to quotas or licenses can be obtained from the office of the OCCL/CDCV or by contacting a Belgian customs broker directly.

Goods imported into Belgium or made in Belgium are normally subject to a Value Added Tax payable upon importation if Belgium is the destination of the goods being shipped into the EU. One of three rates will apply:

- 6 percent daily necessities, food stuffs, and so on;
- 12 percent tobacco, fuel, and so on; and
- 20.5 percent majority of commercial items.

While VAT applies equally to domestically produced goods, it is applied after all customs duties are added to the price of the goods. Since EU products are not subject to customs duties, while those from Canada do, the effective VAT rate for non-EU goods is actually higher than the rates cited above.

EDC Financial Risk Assessment

The Export Development Corporation (EDC) helps Canadian companies compete in world markets through the provision of financial and risk management services. These include export credit insurance, financing to foreign buyers of Canadian goods and services, and guarantees.

The following information was obtained from the EDC Country Risks and Opportunities book (fall, 1996).

Current Market Conditions

The Belgian economy is emerging from a depressed state. The deterioration in output in 1995 and through the first half of 1996 is attributed largely to the sharp slowdown in export growth and significant declines in public spending. However, spending by the household sector also continues to be very weak, restrained by a wage freeze and draconian cuts in the government's social security budget. Investment activity by the private sector was the only positive feature in the economy's performance in 1995, though the pace slowed in the first half of 1996.

Belgium must implement Bfr. 100 million in expenditure cuts if it is to meet Maastricht targets in 1997. Without these additional austerity measures, the OECD estimates that the public deficit/GDP ratio could rise from an estimated 3.2 percent in 1996 to 3.7 percent in 1997. These expected cuts in government spending will exert a major drag on the economy.

Consumer spending will remain constrained. Consumer spending into 1997 will be hampered by three factors: incomes will be held back by a continuation of wage controls; unemployment will remain high as business continues to invest heavily in labour-saving equipment; and, consumer confidence will remain weak particularly, since there are risks of industrial unrest as the government implements the expenditure cuts necessary to meet Maastricht targets. While lower interest rates and modest inflation will provide some encouragement, consumer spending will remain subdued.

Business investment will be a modest plus. Though the pace of investment activity slowed in the first half of 1996, it was expected to grow at a

rate of about 3.5 percent in 1996 rising to about 4 percent in 1997. This good growth in investment, combined with a small improvement expected for exports, will be the main contributor to the modest recovery throughout the remainder of 1996 and into 1997.

Credit Quality Trends

Belgium corporate credit quality conditions continue to deteriorate. After a 10.7 percent increase in 1995, slumping external demand and depressed domestic demand conditions contributed to an additional increase of 7 percent in the number of companies that went bankrupt in the first eight months of 1996.

Business activity remains depressed. Capacity utilization for the manufacturing sector fell to below 80 percent in the first quarter of 1996. Industrial confidence weakened further as export orders continued to slump in the first half of 1996. Production by the construction sector, which declined by over 11 percent in 1995, dragging down overall production growth, continued to show a declining trend in the first half of 1996.

The corporate shakeout continues in traditional industries. In addition to the incidence of large bankruptcies in engineering and construction (CPW International and Montage Service Benelux), the introduction of tighter liquidation laws in July resulted in accelerating the declaration of bankruptcy of some property holding companies (Rogib Sabech and Lendit Gosselies Turnhout). Large firms were declared bankrupt in the troubled industries of vehicle assembly (LAG Groep and IMV Belgium), steel and other metals (Aluminium Europe, Forges de Clabecq SA and Aleurope), metalworking (Wanson), textiles (Lainiere de Roubaix and Proditex), textile machinery manufacturers (Houget Duesberg Bosson), publishing (NV La Semaine d'Anvers) and furniture makers (Verschaeve).

Corporate capital investment continues. Despite the ongoing deterioration in the financial health of corporate Belgium, capital investment is projected to continue to be the most buoyant area of industrial activity to at least 1997. This arises from the need for companies to continue to focus on capital investment expenditures to maintain international competitiveness. Those industrial

sectors with the best opportunities of growth in business investment are chemicals, non-ferrous metals, metal products, transportation (notably automobiles) and communications. Business activity and financial conditions among public sector enterprises, however, are expected to continue to decline owing to government austerity measures.

Collection Experience

The overall collection experience in Belgium is good. Open account trading terms are the norm. There are no credit or financial issues.

CONTACTS

Canada Mortgage and Housing Corporation

Housing Export Centre

700 Montreal Road
Ottawa, Ontario K1A 0P7

Tel.: 1-800-465-6212 or
(613) 748-2000
Fax: (613) 748-2302

Canadian Government Departments and Services

Department of Foreign Affairs and
International Trade (DFAIT)

InfoCentre
Lester B. Pearson Building
125 Sussex Drive
Ottawa, ON K1A 0G2

Tel.: 1-800-267-8376 or
(613) 944-4000
Fax: (613) 996-9709
FaxLink: (613) 944-4500
InfoCentre Bulletin Board:
Tel.: 1-800-628-1581 or
(613) 944-1581

Europe Trade Division
Western Europe (REN)
125 Sussex Drive
Ottawa, ON K1A 0G2

Tel.: (613) 996-9403
Fax: (613) 995-5772

Canadian Embassy in Belgium

2 Tervuren Avenue
B-1040 Brussels
Kingdom of Belgium

Tel.: (011-32-2) 741-06-20
Fax: (011-32-2) 741-06-06

International Trade Centres

Newfoundland

International Trade Centre
P.O. Box 8950
Atlantic Place
215 Water Street
Suite 504
St. John's, NF A1B 3R9

Tel.: (709) 772-5511
Fax: (709) 772-5093

Prince Edward Island

International Trade Centre
P.O. Box 1115
Confederation Court Mall
134 Kent Street
Suite 400
Charlottetown, PE C1A 7M8

Tel.: (902) 566-7443
Fax: (902) 566-7450

Nova Scotia

International Trade Centre
P.O. Box 940, Station M
1801 Hollis Street
Halifax, NS B3J 2V9

Tel.: (902) 426-7540
Fax: (902) 426-5218

New Brunswick

International Trade Centre
1045 Main Street
Unit 103
Moncton, NB E1C 1H1

Tel.: (506) 851-6452
Fax: (506) 851-6429

Quebec

International Trade Centre
5 Place Ville-Marie
Seventh Floor
Montreal, PQ H3B 2G2

Tel.: (514) 283-6328
Fax: (514) 283-8794

Ontario

International Trade Centre
Dominion Public Building
1 Front St. West
Fourth Floor
Toronto, ON M5J 1A4

Tel.: (416) 973-5053
Fax: (416) 973-8161

Manitoba

International Trade Centre
P.O. Box 981
330 Portage Avenue
8th Floor
Winnipeg, MB R3G 2V2

Tel.: (204) 983-5851
Fax: (204) 983-3182

International Trade Centres (cont'd)

Saskatchewan	International Trade Centre The S.J. Cohen Building 119-4 th Avenue South Suite 401 Saskatoon, SK S7K 5X2	Tel.: (306) 975-5315 Fax: (306) 975-5334
Alberta <i>* Edmonton office is also responsible for Northwest Territories</i>	International Trade Centre Canada Place 9700 Jasper Avenue Room 540 Edmonton, AB T5J 4C3	Tel.: (403) 495-2944 Fax: (403) 495-4507
	510-5th Street S.W. Suite 1100 Calgary, AB T2P 3S2	Tel.: (403) 292-4575 Fax: (403) 292-4578
British Columbia <i>*Vancouver office is also responsible for the Yukon</i>	International Trade Centre 300 West Georgia Street Suite 2000 Vancouver, BC V6B 6E1	Tel.: (604) 666-0434 Fax: (604) 666-0954

Export Development Corporation (EDC)

Ottawa	151 O'Connor Street Ottawa, ON K1A 1K3	Tel.: (613) 598-2500 Fax: (613) 237-2690
Vancouver	One Bentall Centre 505 Burrard Street Suite 1030 Vancouver, BC V7X 1M5	Tel.: (604) 666-6234 Fax: (604) 666-7550
Calgary	510-5th Street S.W. Suite 1030 Calgary, AB T2P 3S2	Tel.: (403) 292-6898 Fax: (403) 292-6902
Winnipeg <i>*office also serves Saskatchewan</i>	330 Portage Avenue Eighth Floor Winnipeg, MB R3C 0C4	Tel.: (204) 983-5114 Fax: (204) 983-2187
Toronto	National Bank Building 150 York Street Suite 810 P.O. Box 810 Toronto, ON M5H 3S5	Tel.: (416) 973-6211 Fax: (416) 862-1267
London	Talbot Centre 148 Fullarton Street Suite 1512 London, ON N6A 5P3	Tel.: (519) 645-5828 Fax: (519) 645-5580
Montreal	Tour de la Bourse 800 Victoria Square Suite 4520 P.O. Box 124 Montreal, PQ H4Z 1C3	Tel.: (514) 283-3013 Fax: (514) 878-9891
Halifax	Purdy's Wharf, Tower 2 1969 Upper Water Street Suite 1410 Halifax, NS B3J 3R7	Tel.: (902) 429-0426 Fax: (902) 423-0881

Belgian Trade Association

National Confederation of Construction Industry in Brussels	Tel.: 32-2-510-46-11
National Federation of the Professional Unions of Commercial Members in Construction Materials in Belgium-FEMA in Brussels	Tel.: 32-2-218-09-75
Febelhout—Federation of the Wood Industry in Brussels	Tel.: 32-2-217-63-65

Belgian Trade Association (cont'd)

Association of Importers and Wholesalers of Hardware in Brussels	Tel.: 32-2-517-30-60
BCD-Belgian Committee for the Distribution (Do-it-yourself Association in Brussels)	Tel.: 32-2-345-99-23
European Patent Office	Erhardstrasse 27 D-80331 Muenchen, Germany Tel: 49-89-23990 Fax: 49-89-23992850

Belgian Government Offices in Canada

Embassy of Belgium	80 Elgin Street 4th Floor Ottawa, ON K1P 1B7	Tel.: (613) 236-7267 Fax: (613) 236-7882
Consul General of Belgium	2 Bloor St. West Suite 2006 Toronto, ON M4W 3E2	Tel.: (416) 944-1422 Fax: (416) 944-1421
Consul General of Belgium	999 boul. de Maisonneuve uest Suite 850 Montreal, PQ H3A 3L4	Tel.: (514) 849-7394 Fax: (514) 844-3170

Multilateral Organizations

World Bank	Washington, DC 20433 U.S.A.	Tel.: (202) 477-1234 Fax: (202) 477-6391
Office for Liaison with International Financial Institutions	Canadian Embassy 501 Pennsylvania Avenue N.W. Washington, DC 20001	Tel.: (202) 682-7719 Fax: (202) 682-7726

Business and Professional Organizations in Canada

Chamber of Commerce for Belgium & Luxembourg in Canada	Tour de la Bourse PO Box 528 Montreal, PQ H4Z 1J8	Tel.: (514) 845-4650
Alliance of Manufacturers and Exporters Canada	99 Bank Street, Suite 250 Ottawa, ON K1P 6B9	Tel.: (613) 238-8888 Fax: (613) 563-9218

Canadian Banks with European Regional Offices

Bank of Montreal	D-6000 Frankfurt am, Main 17 Ulmenstrasse 37-39Frankfurt, Germany 710104	Tel.: (011-441-71) 234-6000
Canadian Imperial Bank of Commerce European Operations Office	Cottons Centre Cottons Lane London, SE1 2QL, England	
National Bank of Canada Europe Regional Office	Princes House 95 Gresham Street London, England EC2V 7LU	
Royal Bank of Canada AG	PO Box 71 07 14 Lyonner Strasse 15 60497 Frankfurt am Main, Germany	
The Toronto-Dominion Bank	Triton Court 14/18 Finsbury Square London, England EC2A 1DB	
Hongkong Bank of Canada	10 Lower Thames Street PO Box 506 London, England EC3R 6AE	

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METHOD OF PAYMENT

Check only one (individuals must prepay all orders.)

<p>SOURCE (How did you hear about the product?)</p> <p>TV AD <input type="checkbox"/> <input type="checkbox"/> CATALOGUE</p> <p>NEWSPAPER <input type="checkbox"/> <input type="checkbox"/> FLYER/BROCHURE</p> <p>MAGAZINE <input type="checkbox"/> <input type="checkbox"/> OTHER</p>	Subtotal Column 3		A	<p>Subtotal Column 5</p> 
	<p>SHIPPING CHOICE</p> <p>Regular Mail <input type="checkbox"/> Courier <input type="checkbox"/></p>		ADD Shipping & Handling	
			Subtotal (Add A + B)	
<p>U.S. AND INTERNATIONAL ORDERS Please pay subtotal C in U.S. Funds (do not add GST or PST)</p>	Registration #100756428		ADD GST (7% of subtotal C)	
			Subtotal (Add C + D)	
			Quebec residents add PST (6.5% of Subtotal E)	
			Total (Add E + F)	
			G	

Refer to Shipping and Handling Charges on the back of this form for the shipping and handling amount.

SEE EXAMPLE ON REVERSE

Shipping and Handling Charges

Points	Canada Regular Rates	Canada Courier Rates	U.S. Regular Air Rates	U.S. Courier Rates	International Regular Air Rates	International Courier Rates	Europe Courier Rates
1	2.55	5.00	5.00	11.00	7.00	24.00	19.00
2	3.65	8.00	6.50	14.00	9.00	30.00	25.00
3 to 5	5.80	11.07	8.11	30.75	12.18	63.75	47.75
6 to 10	6.18	11.07	12.46	34.75	20.61	88.75	55.75
11 to 20	6.43	12.35	18.08	42.75	38.77	118.75	71.75
21 to 40	6.94	14.90	23.81	58.75	64.65	193.75	103.75
41 to 60	7.44	17.62	29.48	74.75	68.12	253.75	129.75
61 to 80	7.95	20.51	35.15	90.75	117.36	313.75	149.75
81 to 100	8.45	23.35	40.92	106.75	146.60	373.75	169.75
101 to 120	8.96	26.20	46.59	120.75	166.71	433.75	189.75
121 to 140	9.46	29.05	52.31	134.75	184.72	493.75	209.75
141 to 160	9.97	31.90	58.00	148.75	207.45	553.75	229.75
161 to 180	10.47	34.75	63.71	162.75	228.92	613.75	249.75
181 to 200	10.98	35.60	69.38	176.75	250.29	658.75	269.75
201 to 220	11.48	40.45	75.05	190.75	N/A	718.75	289.75
221 to 240	11.99	43.30	80.72	204.75	N/A	778.75	309.75
241 to 260	12.49	46.15	86.49	218.75	N/A	838.75	329.75
261 to 280	13.00	49.00	92.21	232.75	N/A	901.75	349.75
281 to 300	13.50	51.85	97.88	246.75	N/A	958.75	369.75
Estimated Delivery times	2-3 weeks	5-10 days	2-3 weeks	5-10 days	4-8 weeks	12 days	12 days

Prices Subject to Change

CMHC Return Policy

We will replace damaged materials and correct shipping errors if we are notified within thirty days after you receive your shipment. If an item is not defective or not mistakenly shipped, then it must be returned by you at your cost within thirty days of receipt. It must arrive here in resaleable condition for you to receive credit.

International Note: Most international return shipments arrive damaged. If you received damaged items, contact CMHC at (613) 748-2969. Please do NOT return the damaged items unless we ask.

Example: To complete order form and determine shipping and handling charges

ORDER NUMBER	REPORT TITLE Please be sure the order number and report title match the listing	1	2	3	4	5
		QTY	ITEM AMOUNT \$	1 x 2	SHIPPING POINTS	TOTAL SHIPPING POINTS 1 x 4
NHA 8003	Brazil	1	35.1	35.1	3	3
NHA 8009	Western Europe	2	23.1	46.1	3	6
					3	
					3	
SOURCE (How did you hear about the product?)		Subtotal Column 3		A 81.1	Subtotal Column 5 9	Refer to Shipping and Handling Charges on the back of this form for the shipping and handling amount.
		SHIPPING CHOICE Regular Mail <input checked="" type="checkbox"/> Courier <input type="checkbox"/>		ADD Shipping & Handling		
				B 6.18		
U.S. AND INTERNATIONAL ORDERS Please pay subtotal C in U.S. Funds (do not add GST or PST)		Subtotal (Add A + B)		C 87.18		
		Registration #100756428		ADD GST (7% of subtotal C)		
				D 6.10		
				Subtotal (Add C + D)		
		E 93.28				
		Quebec residents add PST (6.5% of Subtotal E)		F -		
				G 93.28		
		Total (Add E + F)				

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